



U.S. Department of Justice

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MEDIA RELEASE

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**FORMER BEDFORD REAL ESTATE DEVELOPER
SENTENCED TO FEDERAL PRISON IN \$4.5 MILLION DOLLAR FDIC FRAUD**

CONCORD, NEW HAMPSHIRE: United States Attorney Tom Colantuono announced today that former Bedford, NH real estate developer, R. Scott Brooks, age 42, was sentenced to prison by U.S. Chief Judge, Paul J. Barbadoro. Brooks had previously pleaded guilty to charges that he had defrauded the FDIC, in violation of Title 18, United States Code, Section 1007.

When several banks failed in New Hampshire in the early 1990s, the FDIC was appointed receiver and took over those failed banks' loans. At the time, Brooks owed approximately \$4.5 million to one such failed bank. Brooks admitted that in 1996, when the FDIC was trying to collect on the \$4.5 million judgement, he hid more than \$800,000 from them in companies he had incorporated in Nevada.

At the sentencing today, the Court found the amount of money the FDIC would have recovered had it known of the hidden funds was \$452,740. Of that amount, the FDIC had already received \$160,000, leaving \$292,470 still owed to the FDIC. The Court then sentenced Brooks to serve one year in a federal prison. Brooks will not be eligible for parole or good time credit and will therefore serve the full year. He was also sentenced to serve four years on supervised release upon release from prison. Financially, Brooks was ordered to pay \$292,470 in restitution and an additional \$10,000 fine.

After the sentencing, U.S. Attorney Tom Colantuono said: "It is important to the sound administration of our banking institutions that crimes like these are thoroughly investigated and vigorously prosecuted. The FDIC worked for three years investigating this case and it should be commended for its diligent efforts. White collar crimes like these, which affect our financial systems, continue to be a high priority in this office."

The case was investigated by the Federal Deposit Insurance Corporation, Office of Inspector General and was prosecuted by Assistant United States Attorney Arnold H. Huftalen.